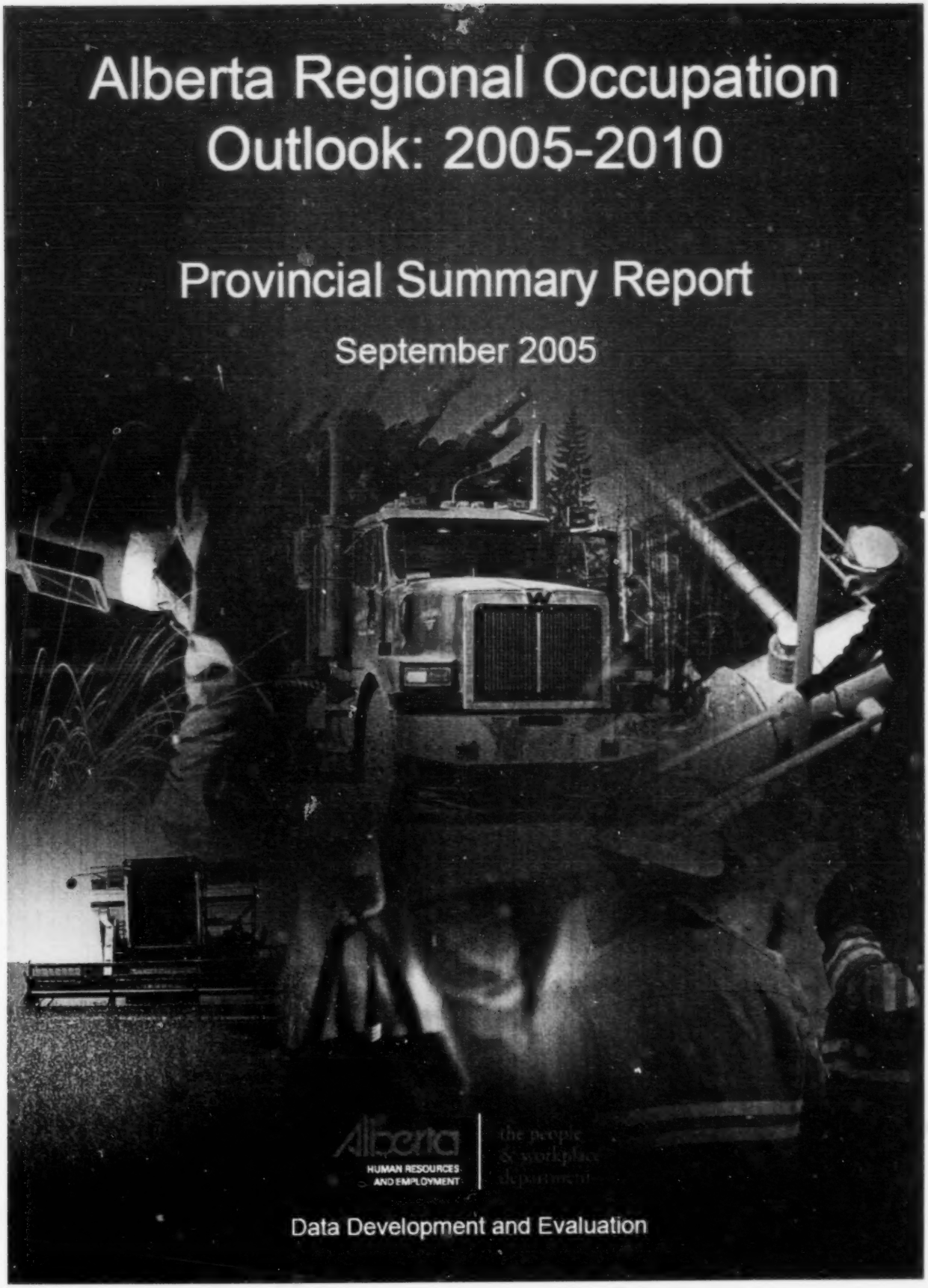
Alberta Regional Occupation Outlook: 2005-2010

Provincial Summary Report

September 2005



Alberta
HUMAN RESOURCES AND EMPLOYMENT
the people & workplace department

Data Development and Evaluation

106-00106/

Alberta Regional Occupation Outlook: 2005-2010

Alberta Human Resources and Employment (AHRE) has continued to develop a regional occupation model that produces employment projections for 140 different occupations across Alberta and for the eight economic regions. This forecast is a useful tool for the Government of Alberta to help address related policy issues and to aid in developing responsive strategies.

The forecast summarizes expected employment by industry, occupation, and economic region. Industries are classified using the North American Industry Classification System (NAICS). Occupations are classified by the National Occupational Classification (NOC) system. For more information regarding these classification systems please visit the websites listed below.

This document provides a broad overview of the results of the forecast for the province as a whole. Regional summaries are also available. A complete listing of the employment projections is available for Alberta (140 occupations) and for all eight economic regions (47 occupations) on the AHRE website listed below.

- **NAICS** - http://www.statcan.ca/english/Subjects/Standard/naics/2002/naics02-index.htm
- **NOC** - http://www23.hrdc-drhc.gc.ca/2001/e/generic/welcome.shtml
- **AHRE Employment Projections** - http://www3.gov.ab.ca/hre/lmi/occforecast.asp

Contents

Economic Outlook 2

Major Projects 4

Employment Outlook – Overall 5

Employment Outlook – by Industry 6

Employment Outlook – by Occupation 7

GDP in Alberta is expected to grow by 3.3% annually

From 1994-2004, Alberta's economy was one of the fastest growing provincial economies in Canada. Gross Domestic Product (GDP) output in the province grew by an annual average of 3.8%. Employment in the province grew by more than 470,200 jobs over the ten-year period. Over the forecast period of 2005-2010, GDP growth in Alberta is expected to average 3.3% annually. This is slightly higher than the expected average annual GDP growth of 3.2% for Canada.

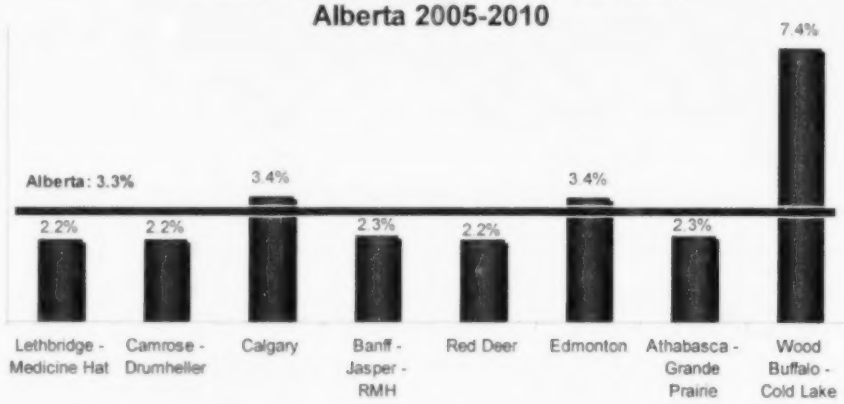
The price of oil plays a very important role in the success of Alberta's economy. With high prices for oil, projects in Alberta's oil sands become very attractive to investors. Sustained high prices for oil will lead to added investment in Alberta and to growth in the GDP.

The Wood Buffalo-Cold Lake Economic Region will lead in GDP growth

Of Alberta's eight economic regions, the Wood Buffalo-Cold Lake Economic Region is expected to experience the highest level of GDP growth, averaging 7.4% annually. Large oil sands developments in the Fort McMurray area are responsible for most of the high growth in the GDP. Chart 1 shows the average GDP growth for each economic region in Alberta.

Chart 1

Average Annual Real GDP Growth (%)
Alberta 2005-2010



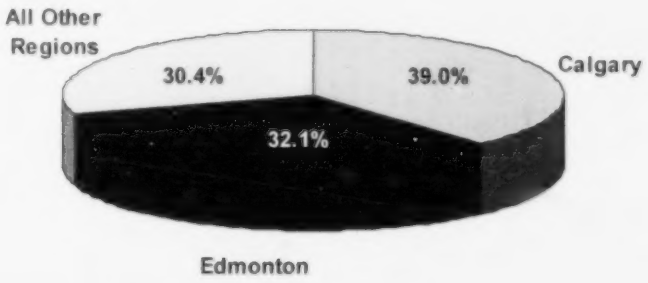
Source: Alberta Regional Occupation Outlook: 2005-2010

The Calgary and Edmonton Economic Regions account for over 70% of Alberta's GDP

Although the Wood Buffalo-Cold Lake Economic Region is expected to experience the highest growth rate, the Calgary and Edmonton Economic Regions will continue to account for the majority of Alberta's GDP. These two economic regions will account for an average of 71.1% of all GDP in Alberta (see Chart 2). By 2010, Alberta's total GDP output will surpass $164 Billion.

Chart 2

Regional Shares of Alberta's GDP, 2005



Source: Alberta Regional Occupation Outlook: 2005-2010

Two industries will account for an average of 32.3% of Alberta's GDP

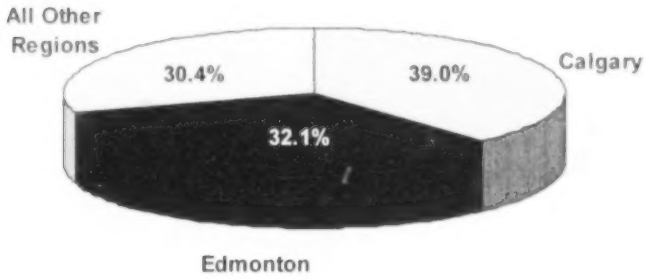
Throughout the forecast period of 2005-2010, two industries will account for 32.8% of the total GDP in Alberta. Finance, Insurance, Real Estate and Leasing will account for 17.6% and Other Primary (Oil, Gas and Forestry) will contribute 14.6%. Significant contributions to the province's GDP will also come from the Retail Trade and Manufacturing industries with 9.8% and 9.6% of the total GDP respectively.

The Calgary and Edmonton Economic Regions account for over 70% of Alberta's GDP

Although the Wood Buffalo-Cold Lake Economic Region is expected to experience the highest growth rate, the Calgary and Edmonton Economic Regions will continue to account for the majority of Alberta's GDP. These two economic regions will account for an average of 71.1% of all GDP in Alberta (see Chart 2). By 2010, Alberta's total GDP output will surpass $164 Billion.

Chart 2

Regional Shares of Alberta's GDP, 2005



Source: Alberta Regional Occupation Outlook: 2005-2010

Two industries will account for an average of 32.3% of Alberta's GDP

Throughout the forecast period of 2005-2010, two industries will account for 32.8% of the total GDP in Alberta. Finance, Insurance, Real Estate and Leasing will account for 17.6% and Other Primary (Oil, Gas and Forestry) will contribute 14.6%. Significant contributions to the province's GDP will also come from the Retail Trade and Manufacturing industries with 9.8% and 9.6% of the total GDP respectively.

Major investment projects in Alberta are valued at over $76 Billion

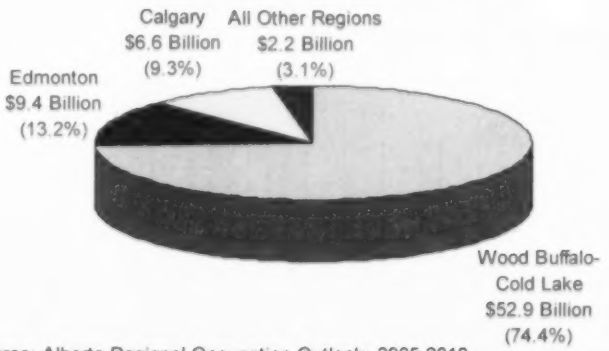
One of the most important factors to consider when estimating the future growth of Alberta's economy is the spending on major projects. The development of these projects creates jobs during planning, construction and upon completion. The list includes projects that are proposed, under construction or recently completed in Alberta. Only projects with a value of at least $2 Million are included. These projects have a significant effect on employment in the Construction industry and also create employment in many other industries such as Other Primary, Utilities, and Transportation and Warehousing.

The Wood Buffalo-Cold Lake Economic Region accounts for 74% of spending on major projects

The majority of major project spending will occur in the Wood Buffalo-Cold Lake Economic Region (see Chart 3). Most of these projects are directly related to the extraction of oil from the oil sands. The large scale of these projects will create increased demand for industrial construction workers in the region. The largest project is phase 3 of Syncrude's expansion near Fort McMurray. The project involves the addition of a second transport train at the Aurora Mine and an expansion of the Mildred Lake upgrader. With a value of $7.8 Billion and a scheduled completion date of 2006, it is one of the world's largest construction projects.

Chart 3

Regional Shares of Alberta's Major Project Spending, 2005-2010 (Billions)



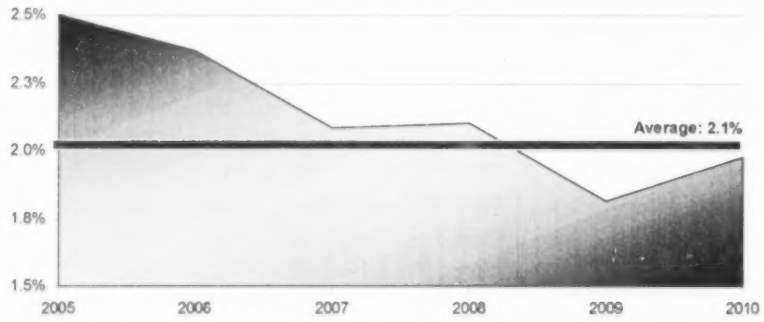
Source: Alberta Regional Occupation Outlook: 2005-2010

Employment growth in Alberta is expected to average 2.1% annually

Over the forecast period of 2005-2010, employment in Alberta is expected to climb from 1,757,900 in 2004 to 1,996,000 in 2010. This represents an average growth rate of 2.1% annually and the creation of over 238,000 new jobs. Alberta's unemployment rate is expected to remain relatively stable and will average 4.8% over the forecast period. Alberta's average annual employment growth is displayed in Chart 4. The decline in the growth rate later in the forecast period may be due to the completion of some major construction projects by 2006. This decline may disappear over time as new projects are announced.

Chart 4

Average Annual Employment Growth (%)
Alberta, 2005-2010



Source: Alberta Regional Occupation Outlook: 2005-2010

Nearly 76% of all new jobs will be in the Calgary and Edmonton Economic Regions

The majority of the new jobs in Alberta will be located in either the Calgary or Edmonton Economic Regions. The Calgary Region will create about 90,200 new jobs and the Edmonton Region will account for roughly 89,000 new jobs. Together, these two economic regions will generates 75.3% of all new jobs in Alberta over the forecast period.

The Wood Buffalo-Cold Lake Economic Region will experience the highest employment growth rate

As a result of the amount and size of the planned major projects in the Wood Buffalo-Cold Lake Economic Region, employment is expected to average 3.0% annual growth over the forecast period. This is well above the average growth rate for all other regions in the province. With the high employment growth in the region, the unemployment rate is expected to average 4.1%, below the provincial average. The lower unemployment rate is due largely to the large amount of construction activity through the forecast period. Many workers will become employed at the completion of a large project. Unemployment rates in all other regions are expected to average between 4.6% and 5.3% over the forecast period.

The Trade industry will provide more new jobs than any other industry

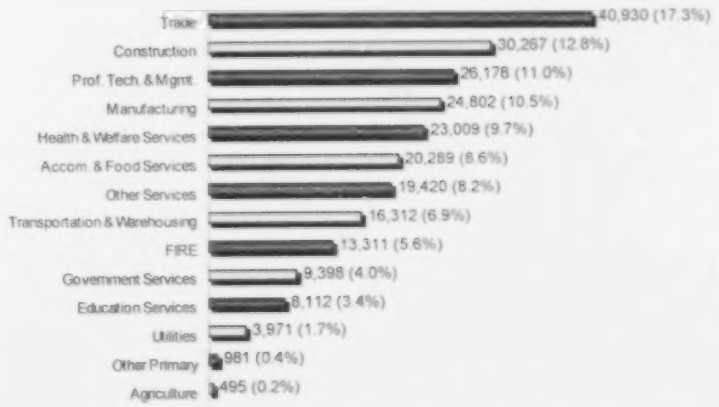
The employment outlook is broken down into fourteen different industries. The Trade industry (includes both retail and wholesale) is expected to generate over 40,900 new jobs over the forecast period, the most for any single industry (see Chart 5). Other industries generating a large number of new jobs include: Construction (+30,200), Professional, Technical and Management (+26,000), and Manufacturing (+24,800). The solid performance of Alberta's economy is the leading factor in increased demand for many of these service related industries.

The Utilities industry will have the highest average growth rate

Alberta's Utilities industry is expected to generate over 3,900 new jobs from 2005 to 2010. This represents an average growth rate of 3.8% annually. Many of these new jobs are a result of new water treatment and wind power facilities. Other high growth industries include: Construction (+2.9%), Manufacturing (+2.7%), Accommodation and Food Services (+2.6%) and Transportation and Warehousing (+2.6%).

Chart 5

New Jobs in Alberta by Industry 2005-2010


Trade 40,930 (17.3%)
Construction 30,267 (12.8%)
Prof. Tech. & Mgmt. 26,178 (11.0%)
Manufacturing 24,802 (10.5%)
Health & Welfare Services 23,009 (9.7%)
Accom. & Food Services 20,289 (8.6%)
Other Services 19,420 (8.2%)
Transportation & Warehousing 16,312 (6.9%)
FIRE 13,311 (5.6%)
Government Services 9,398 (4.0%)
Education Services 8,112 (3.4%)
Utilities 3,971 (1.7%)
Other Primary 981 (0.4%)
Agriculture 495 (0.2%)

Source: Alberta Regional Occupation Outlook: 2005-2010 *Share of total new jobs in brackets (%)

The Retail Sales Person and Sales Clerks occupation is expected to create more new jobs than any other occupation

At the 140 occupational level, the retail sales person and sales clerk occupation is expected to create almost 10,000 new jobs from 2005 to 2010. This classification includes retail salespeople and sales clerks. An ageing workforce along with a high demand for retail trade are contributing factors to the high number of new jobs in this occupation. Other occupations expected to generate a significant number of new jobs include: Motor vehicle and transit drivers (+9,096), and Clerical occupations, general office skills (+7,094). Please see Table 1 below.

Legislators and Senior Management Occupations are expected to have the highest average annual growth rate

Legislators and Senior Management Occupations and Other occupations in Protective Services are expected to have an average growth rate of 5.6% annually, the highest of any of 140 occupations. These growth rates represent the creation of over 3,072 and 966 new jobs from 2005 to 2010, respectively. High population growth along with an ageing workforce are factors fuelling the high growth. Other occupations with high average growth rates include: Machine Operators and related in textile processing (+4.4%), Managers in Financial and Business Services (+4.4%), and Announcers and other Performers (+4.2%). Clerical occupations, general office skills and Other Construction trades also show high growth with 4.1% and 3.8%, respectively.

Table 1

New Jobs by Occupation, 2005-2010

NOC Occupations	New Jobs	Share of Total
Retail salespersons and sales clerks	9,900	4.2%
Motor vehicle and transit drivers	9,096	3.8%
Clerical occupations, general office skills	7,094	3.0%
Cleaners	6,558	2.8%
Managers in retail trade	5,902	2.5%
Occupations in food and beverage service	5,544	2.3%
Food counter attendants, kitchen helpers and related	5,035	2.1%
Finance and insurance clerks	4,918	2.1%
Secretaries,r ecorders and transcriptionists	4,755	2.0%
Administrative and regulatory occupations	4,698	2.0%

Source: Alberta Regional Occupation Outlook: 2005-2010